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END-OF-SESSION LEGISLATIVE REPORT

Frommer legislation brings cash-strapped state \$1.5 billion

Assembly Majority Leader's efforts create windfall for California budget.

(SACRAMENTO, CA) – Rejecting calls for tax increases to close California's huge budget deficit, Assembly Majority Leader Dario Frommer has instead focused on bringing more federal dollars from Washington, D.C., and making sure wealthy tax cheaters are paying their fair share.

Crack down on tax cheats yields \$1.3 billion

A tough new law to crack down on tax cheaters, authored by Frommer and signed by the Governor Davis in 2003, raked in \$1.3 billion for the state of California, more than 10 times initial expectations.

"Hard working Californians should not be asked to pay more taxes when so many wealthy corporations and executives are cheating the

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Major health care reforms sent to Governor's desk

Frommer successfully passes legislation regarding asthma, autism and skyrocketing cost of prescription drugs.

(SACRAMENTO, CA) – Assembly Majority Leader Dario Frommer, a leading champion of issues revolving around improving California's ailing health care system, pushed four historic bills through the Legislature that now await the Governor's approval.

Relief from skyrocketing Rx drug costs

In 2002, United States consumers paid \$48.6 billion in out-of-pocket costs for prescription drugs, an increase of \$6 billion over the previous year.

The United States is being charged higher prices for drugs than any other country in the world. News reports estimate that a million Americans spent more than \$800 million last year on prescription drugs from Canada, where drugs are, on average 40% to 75% cheaper.

"Americans are paying more for prescription drugs than anyone else in the world," Frommer said. "Our tax dollars support more than 1/3 of the research and development drug companies do. Yet, many of us can not afford to buy those new drugs when we get sick."

Frommer introduced **AB 1957** this year to help Californians get relief from skyrocketing drug prices.

Assembly Bill 1957 requires the California Department of

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state out of billions,” Frommer said.

The bill significantly stiffened penalties for tax cheats who use illegal tax shelters. In addition, the bill set up a voluntary amnesty program that created a \$1.3 billion windfall for the state in 2004, helping to ease the strain of the budget crisis in California. Almost 300 corporations and 568 individuals handed over an average of \$1.15 million in owed taxes to the state during the program.

Federal funding for public hospitals secured

Approximately \$142 million in federal funds secured by Assembly Majority Leader Frommer has now been allocated to 78 public California hospitals. The money will reimburse hospitals for outpatient services provided to Medi-Cal patients during the 2002-03 year.

Frommer’s bill established the Medi-Cal Outpatient Certified Public Expenditure Program, which allows local public agencies and health facilities to be reimbursed for incurred outpatient services. California can now maximize federal funding opportunities for California’s health care system. ♦

Frommer pushes major nursing home care reforms

Legislation would bring California \$250 million additional federal dollars to improve nursing home care.

(SACRAMENTO, CA) – Assembly Majority Leader Dario Frommer has placed legislation on the Governor’s desk for approval that would dramatically reform California’s ailing nursing home system of care and enable the state to tap into \$250 million additional federal Medicaid funds.

“While our nursing homes are in crisis, and our loved ones suffer from inadequate care, we are leaving millions in federal nursing home dollars on the table,” Frommer said. “California ranks dead last in terms of getting federal money back. We’re changing that.”

Frommer’s **AB 1629**, Nursing Home Quality Care Act, will help improve California’s ailing nursing homes without costing taxpayers additional funding. Already, some of the state’s largest providers have agreed to pay a “quality

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Health Services to establish a Web site providing price comparisons between American and Canadian pharmaceutical companies, information about available discount programs for prescription drugs and links to Canadian pharmacies that meet state requirements for safety and affordability.



Saving taxpayer dollars spent on Rx drugs

Assemblyman Frommer also introduced legislation this year to save taxpayer dollars spent on prescription drugs purchased by state agencies.

In California, taxpayers spent \$2.9 billion for prescription drugs in the Medi-Cal program in 2002-03, an amount expected to rise to \$3.8 billion in 2003-04. The California Department of Corrections has seen its prescription drug costs spike by 20% each year and now pays more than \$125 million a year. CalPERS spends \$700 million a year on prescription drugs.

Assembly Bill 1958 by Frommer, which now awaits the Governor’s approval, would increase California’s purchasing power by pooling together state agencies, small employers and uninsured individuals and giving them the ability to negotiate more aggressively for lower prices. The California Small Business Association is in support of both prescription drug bills.

Helping parents of children with autism

After a two-year struggle, Assembly Majority Leader Frommer successfully placed on the Governor’s desk **AB 857**, which will set up a state autism resource center for families of children with autism. The center will serve as a one-stop source of information, helping parents to navigate

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assurance fee” that enables the state to tap into \$250 million of federal Medicaid matching dollars for nursing home care. This money will then be distributed according to a new system of funding.

Nursing homes currently receive a flat fee for care of each Medi-Cal resident, regardless of how much care a resident needs. The bill will instead hold nursing homes accountable for better quality of care by tying increased funding to higher staffing, direct resident services and better pay and benefits for caregivers. ♦

the different state programs and educational resources available for dealing with this developmental disorder.

“With autism cases skyrocketing, more and more parents struggle with the complicated process of getting help for their kids,” Frommer said.

With two cousins diagnosed with autism, Frommer knows first-hand the challenges families face when confronted with this disorder. The Governor has until September 30 to sign the bill ♦

Frommer works to fix state workers’ compensation system

(SACRAMENTO, CA) – Assembly Majority Leader Dario Frommer (D-Glendale) continued this year to make further strides in fixing California’s workers’ compensation system, which is estimated to have cost \$25 billion in 2003, up from \$6.4 billion in claims paid in 1997.

The Governor this year signed Frommer’s **AB 2866**, which for the first time places the names of individuals and companies convicted of committing workers’ compensation fraud on a Department of Insurance Web site. This historic legislation builds on work lawmakers have already done to help solve California’s workers’ compensation crisis.

At a forum on workers’ compensation that Frommer hosted as chairman of the Assembly Select Committee on Small Business, members of the 43rd Assembly district said again and again that workers’ compensation was their number one concern. In response, Frommer and his fellow legislators rolled up their sleeves and dug deep into the problem, coming up with a measure to complement legislation passed in 2003. Together, the two measures are expected to cut \$14 billion from California’s workers’ compensation system.

This year’s bill, SB 899, provides financial incentives to encourage businesses to get their injured employees back to work as quickly as possible, allows employers to contract with a network of doctors for workers’ compensation, allows employers to apportion injuries to any non-work cause and allows employers to cap temporary disability at 104 weeks from the first payment.

Both Governor Schwarzenegger and Insurance Commissioner Garamendi have said that workers’ compensation rates should drop between 20% and 30%, thanks to the savings created by this legislation. ♦

BUDGET FUNDS SAVED FOR 43RD AD

Assembly Majority Leader Dario Frommer (D-Glendale) was able to save critical funds for the 43rd Assembly District, despite grappling with a difficult deficit that forced many deep cuts.

WEST NILE VIRUS

Frommer successfully urged the Governor to reverse proposed cuts slashing \$12

million from California’s mosquito abatement districts. .

UC AND CSU REDIRECTION

More than 11,000 qualified high school seniors denied access to UC or CSU schools because of proposed cuts in the Governor’s budget were instead admitted, thanks to the diligence of Frommer and other legislators who protested the cuts and urged that the funding be restored. ♦

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EQUALIZATION FUNDING

Frommer pushed for earmarking \$80 million of state funds for equalization funding this year, bringing Glendale and Burbank unified school districts, as well as Glendale Community College, significantly more funding than expected.

- GUSD received \$966,800
- BUSD received \$376,317
- GCC received \$1,630,137